

Also, I heard you complain, this time, in more or less definite terms that the Income Tax Department looks upon all merchants and traders as deceivers ever. I do not know whether the act of verification and examination constitutes a reflection upon anybody's honesty. I do not think so. The department is merely seeking after facts and that certainly does not convey any idea of aspersions upon the merchants.

Then again, I picked out here and there, and sometimes, I am not sure whether I did pick out, the fact that the Government do not render the commercial world of Travancore proper advice and help. To tell you the plain truth, I have not myself considered it my duty and I do not think I am capable of giving advice or rendering assistance to the commercial magnates of this country. I have always assumed that the great commercial men and institutions of the world are always able to render the Government their help and advice for the simple reason that commercial advice is more or less foreign to the service functions of the Government. That is all I have to say by way of reply to your representations.

56. Needs of the Co-operative movement in the State.

MR. K. VELAYUDHAN PILLAI (*Member, Kalkulam taluk, Group II*) said that the co-operative movement was gaining ground in the State as would be evidenced by the fact that two members were going to talk on the subject of co-operation. During the twelve years since the movement was introduced in the State, it had progressed rapidly only on its credit side, but its immense possibilities in other directions were not brought home to the public. The public had not understood that co-operation would save them from the tyrannies of village Shylocks, that it was the medium for bringing the producer and the consumer to the same platform and that it was the only movement strong enough to withstand the onslaughts of socialism.

The duty of educating the people on the higher aspects of co-operation and imparting to them the practical knowledge for applying those principles in the daily working of the societies rested with the Co-operative Department and non-official institutions. The Co-operative Department, however, had an Inspectoral staff scarcely sufficient to fulfil even its statutory obligations, and therefore it could not be expected to do much in the way of propaganda work. Non-official institutions were all of recent growth and they laboured under the great disadvantage of paucity of funds. The All-Travancore Co-operative Conference had, however, passed resolutions entrusting the work of education and propaganda to the Travancore Co-operative Institute and requesting the Government to provide it with sufficient funds for carrying out the work. The Institute was already conducting a Malayalam magazine with the object of spreading the true ideals and principles of co-operation among the public. But for want of funds it was not possible to conduct the magazine regularly. The Institute had, therefore, applied to the Government for a grant for carrying out the responsibilities entrusted to it by the Conference and the member requested that a decent subsidy be granted.

The second vital need of the movement was the establishment of a Land Mortgage Bank for Travancore in view to facilitate the redemption of mortgages of agricultural lands and relieve the ryots from those encumbrances. The prior debts were the most serious obstacles in the way of improvement of the economic condition of the ryots. Without liquidating the prior debts the ryots were unable to derive the full advantages of co-operation afforded through rural credit societies. The co-operative societies were able to advance only short-term loans covering periods not exceeding two years for purposes of cultivation, because the funds in the Central Bank, which financed the primary societies, were made up of deposits for short periods. The Central Bank was not, therefore, in a position to afford any substantial assistance to the ryots nor did the scheme for granting agricultural loans improve the situation to any appreciable extent. That was why the All-Travancore Co-operative Conference had demanded the organisation of a Land Mortgage Bank. At the request of the Conference, the Travancore Co-operative Institute appointed a committee for drawing up a scheme for the establishment of the Bank. The Committee had drawn up a practical scheme and the member requested that the Government might be pleased to approve the same and render all the necessary assistance.

In the beginning, the whole of co-operative work was being done by the officials. But non-officials were gradually coming forward to help the co-operative movement and Supervising Unions were organised to be managed by themselves. Some among them were appointed as Honorary Organisers and their number was increasing year by year. But the budget allotment of Rs. 1,500 provided for travelling allowance of the eleven Honorary Organisers appointed by the Government was inadequate, and the provision should be increased.

Again, the Honorary Organisers were appointed for a period of one year only. They were informed of their appointment only late in the year. Some of the honorary workers worked in anticipation of renewal of their appointment. Unless an organiser knew that he would have to work for a term of years he could not have a settled programme of work or achieve any tangible success. The term of the appointment should therefore be fixed at three years at least.

The Co-operative Department, an important nation-building department, was classified among the miscellaneous departments such as the Photographic Department and the Museum and Public Gardens. The Department should be given a more prominent place in the next year's *Almanac and Directory*. The status and emoluments of the Registrar of Co-operative Societies should be raised. One of the resolutions passed at the All-Travancore Co-operative Conference was to that effect. Unless the Registrar be placed in a position of contentment in respect of emoluments and status, the best minds could hardly be attracted for service in the co-operative field. The highest pay given to any departmental head should be given to the head of the Co-operative Department also. His responsibilities were even more onerous than those of other officers who had to work their departments on mere mechanical routine. The subordinate officers, *viz.*, the Inspectors, should also be encouraged. Their duties and trials required a more generous recognition. Their pay should be at least that of an Assistant Inspector of Schools.

Lastly, the resolutions passed at the annual co-operative conferences should be favourably considered by the Government and given a generous response. As regards the resolutions passed at the conference held in Karkatakam 1101, those relating to the land colonisation scheme, registry of land to co-operative societies, and the representation of co-operative societies in the Legislative Council, Sri Mulam Popular Assembly and the Economic Development Board, should receive special consideration.

DEWAN'S REPLY : Mr. Velayudhan Pillai, with one exception, I shall have a careful examination made on this occasion, as I have done on other occasions when you have spoken; of all the representations you have put forward here. Such recommendations coming from an earnest and enthusiastic worker in the cause of co-operation, such as you, must receive close attention. I shall look into the matter of the bank you advocate but I cannot hold out much hopes of falling in with your views in that matter for the simple reason that, I think, it is more the field of private enterprise than of the Government. There is, as you know, a State-Aided Bank just called into being and I have no doubt that they will look upon your requirements with sympathetic eyes.

MEMBER : Such commercial banks issue only short-term loans and not long-term loans ranging from 5 to 20 years. What we want is long-term loans. So, if the Government would sanction the proposal—

DEWAN : It is a large venture.

MEMBER : It has been adopted everywhere.

DEWAN : I am aware of that. But I am not convinced that conditions in Travancore warrant it. However, I say, I shall have, with one exception, that is, your advocacy of increase of pay to the officers of the department, which requires no third party's eloquence, all of them examined.

The Assembly adjourned for lunch at 2-15 P. M. and re-assembled at 3-20 P. M.